

OBSERVATIONS

ON

MR. DUNDAS'S

INDIA BUDGET.

L O N D O N:

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OBSERVATIONS

ON THE

INDIA RUBBER

OBSERVATIONS.

THE Public are much obliged to Mr. Tierney, for his proposition to defer the reports of the resolutions moved by Mr. Dundas, until after the recess, because it gives us an opportunity of candidly examining the assertions on both sides the House.

This is the fourth year that Mr. Dundas has laid before the House of Commons a general view of the finances and government of India; and although the present account is confessedly more favourable than that of any former year, the stock has fallen, and is now considerably below all other government securities.

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My object is not so much to inquire into the cause of this depression of the Company's stock, as to examine such representations of both sides of the House, as in my opinion are contrary to truth.

In Bengal, it appears, that there was a surplus of two millions, five hundred, and thirty-six thousand pounds, after the payment of all the expences of the last year ; and that by the estimate transmitted by Lord Cornwallis, a surplus exceeding the last by ten thousand pounds, may be expected in the present year.

Of the propriety and policy of continuing this surplus at so great a height, Mr. Dundas expressed some doubts.

With respect to the revenue arising in Bengal from land, it seems to be allowed, by Mr. Dundas, that there is no reason to believe it will at any time decrease: on the contrary, some of the best informed men, who have been in India, are of opinion, that
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it will admit of a considerable increase without oppression,

But there is another great article of revenue, the salt, which in the last year produced a profit of above eight hundred thousand pounds, and is estimated to produce as much in the present. This is generally supposed to be a very serious oppression, and therefore I shall consider it a little at large.

Mr. Francis was a Member of the Supreme Council when the plan was formed by Mr. Hastings, in 1780, for managing this great branch of the public revenue. He opposed it, and so did Mr. Barwell, and Mr. Wheler; but *not* from an idea that it would be an oppression; *they conceived, that it would endanger the scanty revenue, which the Company at that time drew from salt.* At length they agreed, to a partial adoption of the plan, on the separate responsibility of Mr. Hastings. It succeeded so well, that in a few months the Board *unanimously* consented to an extension of it; and then the system was formed, *which has continued ever since.* The utmost that Mr. Haf-

things proposed to raise from the people for this article, was half a million sterling a-year; and he gave it, as his decided opinion, that such a sum might be raised without oppression, or injustice. It has, however, increased, until the net profit in the last, and the present year, is above eight hundred thousand pounds.

That the increased population of Bengal and Bahar can bear no proportion to such an increased consumption, in so short a time, is clear. Indeed, all reasoning upon it is out of the question: for the Company last year sold their salt in Calcutta thirty per cent. higher than they did when Mr. Hastings, and Sir John Macpherson were in the government; and, therefore, be the population more or less, it must come to the poor at a very heavy, and an oppressive price. But with a considerable reduction in the price, it will afford a noble revenue; and that revenue must necessarily increase, with an increased population.

Mr. James Grant, who held a very important office under the government of Sir John Macpherson, proved, to the satisfaction
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of the East-India Company from authentic documents, that the consumption of salt in Bengal in the year 1780 was considerably more than one third beyond the consumption in 1765. He adds, “ a lapse of fifteen
 “ years under the lenity of the English Government, had certainly operated a very
 “ material change in the state of things;
 “ greater security and freedom in agriculture, manufactures, and commerce, increased considerably the population of the
 “ country, with the wealth and prosperity
 “ of its inhabitants : an additional consumption of all the necessaries of life was a natural consequence, and fully evinced the
 “ improved condition of the British provinces.”

Mr. Grant then carries his view down from the year 1780 to 1787, and adds, that the farther increase in the consumption of salt in the latter period “ indicates, with moral, infallible certainty, a prodigious increase of
 “ population, and all its concomitant advantages, in a period of little more than twenty years.”

Such is the representation of Mr. Grant, a gentleman who is now in England, and who means, as I am informed, to publish to the world, his remarks upon the revenues of Bengal.

Mr. Dundas thinks that one hundred and fifty, or two hundred thousand pounds may be subtracted from the salt revenue, but that the surplus will still be the same, because he can reduce establishments at Madras and Bombay to that amount. If patronage to ministers at the expence of the East-India Company be given up, I am confident that a reduction to the amount at least of half a million a year may take place at those settlements.

Of the land revenues of Bengal and Benares, which are the great and material articles, Mr. Francis did not seem to doubt, and he expressed his satisfaction that they were likely to be permanently fixed. In point of fact, they have varied very little for many years, and for the last ten years have been remarkably equal.

Mr.

Mr. Francis finding that the price of salt varied in this last year from three hundred to seven hundred rupees the hundred maund, supposed the latter to be the selling price ; and making his calculations upon that ground, and supposing every native in Bengal to consume one ounce a day, which is double what he eats, and supposing a family of five persons to live upon the labour of one man, which is never the case, very fairly concluded, that this must be a most grievous oppression, and that the natives must have recourse to some destructive substitute for salt : but he knows that the evil was immediately corrected ; and he must know, that salt sold in Calcutta at three hundred rupees the hundred maunds, will afford a very great revenue to the Company, and that the natives can then purchase it upon fair terms.

The instance he brought of Lord Clive's monopoly, will not bear him out in the least. If his Lordship had made the East-India Company the *principals*, Mr. Bolts would have written against him in vain ; but the fact was this—an opinion prevailed in England,

land, that the war with Cossim Ally Cawn had in a great measure been occasioned by the private trade of the Company's servants. Lord Clive was particularly instructed to regulate the trade in salt, beetle nut, and tobacco, in conjunction with the Nabob. His Lordship procured the sovereignty of Bengal for the Company, in fact, though not in name. He then determined to take the *whole* trade in salt into the hands of *the Company's servants*, to be managed by a committee for *their benefit*, reserving a duty to the Company; and he particularly provided, that salt should not be sold in Calcutta beyond a given price, two hundred rupees the hundred maunds. Mr. Bolts wrote a very false and inflammatory account of this business. The nation revolted at the idea of monopolizing so material a necessary of life, *for the benefit of individuals*, and the society was abolished: but the land upon which salt is manufactured is as much the property of the Company as the land that produces rice; they have as much right to raise a revenue from the one as from the other, and Mr. Francis *fully approved of the plan by which*
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the present revenue is raised. It is the duty of Government to take care that the price is kept within proper bounds ; and that done, it is, in fact, the only article from which any material revenue can be raised in Bengal, the land excepted ; and it has this advantage, *that it must increase with an increased population.*

I shall now follow Mr. Dundas and Mr. Francis to another subject.

The former expatiated very fully upon the improved and improving state of Bengal, and took, a little unreasonably I confess, credit *to government and to Lord Cornwallis for it.* I am not disposed to withhold, either from the one or the other, what is justly their due.

Mr. Dundas has the merit of agreeing with the Directors, in fixing their civil establishments in Bengal upon an œconomical footing ; and Lord Cornwallis has the merit of obeying their orders. Though Sir John Macpherson had the heaviest part of the task to go through.

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But as to the revenues, *they are conducted in the same manner, and they continue at the same amount* as they did, when Lord Cornwallis arrived there, and for many years before, the salt revenue excepted, which it is generally agreed produces 200,000l. a-year *more than it ought to do.*

Mr. Francis laid very particular stress, and I really think, in some places, with a good deal of reason, upon a letter from Lord Cornwallis, dated the 2d of August last. The letter has been much the subject of conversation in all companies; nor do I know how to reconcile it to other letters, which Lord Cornwallis has sent in the same year; even taking it as Mr. Dundas desires us, with its context.

The first thing to consider, is the subject upon which this letter was written.

The Directors sent orders to Lord Cornwallis in the year 1786, to let the lands in Bengal for ten years, as preparatory to a *permanent unalterable settlement*. This plan was
found,

found, upon cloſer inſpection, to be attended with ſo many difficulties, that it required three years to collect materials ; nor is the plan, as far as we know, at this moment adopted.

Lord Cornwallis refers to papers in order to ſhew *the principles* on which the plan is founded, and therefore he thinks it *unnecessary* to ſtate them in his letter.

But the papers to which his Lordſhip refers, are certainly very defective. In the very firſt outline of the plan, as far as I can trace it, there is a difficulty which I ſhould have thought could not eaſily have been got over. Government, upon the preſent ſyſtem, demands from a Zemindar a revenue of ten thouſand rupees, as the full rent he is to pay. The Zemindar declines to pay ſo much. The land is then let to a farmer, and the Zemindar has his moſhaira for his ſubſiſtence. This happens every day. The next year the Zemindar may agree to the terms of government, and he then enjoys his right ; but in the event of a *permanent* ſettlement, if the

Zemindar *refuses* to comply with the terms of government, he is dispossessed, and *can never be restored*. This is but one of a thousand difficulties which will occur; though I am well aware that at first view nothing appears so easy as to fix a permanent settlement; and it has been a favourite idea with Mr. Hastings and Mr. Francis, and with their respective supporters, to let the lands upon leases for lives.* But

* Supposing the revenues in Bengal that arise from land, to be in the nature of a land tax in England; it is certainly easy to say, that the land tax shall be fixed and unalterable; but a Zemindar, who is the highest order of landholders in India, cannot be compared to a freeholder in Great Britain. The following is the most accurate description of a Zemindar I have ever met with; the writer of it is one of the ablest amongst the Company's servants in Bengal. I am sure no one can read it without being convinced, that we cannot argue from any thing we know in England, of the tenure of landed property in India.

“ For my own part, from all the proofs I have hitherto seen adduced, respecting the rights of Zemindars,
 “ I do not agree with Mr. Law in thinking them proprietors of the soil, and the Ryott but a vassal or tenant; if he uses the terms *proprietor* and *tenant* in their common acceptation; as I do not conceive
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But I entirely agree with Mr. Francis, that the expectations of *increase of revenue* which are held out from this plan, *are in the highest degree fallacious*; that is to say, whatever
future

“ the Zemindar was at liberty to let out his lands to
“ the greatest advantage for himself, as seems essential to the general idea of *land property*; or that he
“ can dispossess the Ryott after long occupancy;
“ which implies a privilege not possessed, I believe,
“ by the persons usually denominated by the term
“ *tenants*.

“ The Zemindar appears to me to be a landholder
“ of a peculiar description, not defineable by any single term in our language. A collector of the revenues of the state from the cultivator, allowed to
“ succeed to the land, composing his Zemindary by
“ inheritance; yet, in general, required to take out a
“ renewal of his title from the sovereign or his representative; permitted to transfer his Zemindary by
“ sale or gift; yet commonly obliged to obtain previous special permission. Privileged to be generally
“ the annual contractor of the public revenue, receivable from his Zemindary; yet set aside with a
“ provision for his maintenance, whenever it was the
“ pleasure of government to collect the revenue by
“ separate agency; authorized in Bengal since the
“ early part of the present century, to apportion in the
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future increase may result from increased population, *would take place, whether the plan were adopted or not.*

Lord

“ Purgunnahs, villages, and lesser divisions of lands
 “ within his Zemindary, the abwab, or assessment, im-
 “ posed by the Soubadar, usually in some proportion
 “ to the standard of the Jumma of the Zemindary,
 “ established by Turunmull and others; yet subject
 “ to the discretionary interference of government,
 “ either to equalize the amount assessed on par-
 “ ticular divisions, or to abolish what appeared op-
 “ pressive to the Ryott; entitled to any contingent
 “ emolument proceeding from his contract, during
 “ the period of his agreement; yet bound by the
 “ terms of his tenures, to deliver in a faithful ac-
 “ count of his receipts, responsible by the same terms
 “ for keeping the peace within his jurisdiction, and
 “ punish the refractory; yet apparently allowed to
 “ apprehend only, and deliver over to a Mussulman
 “ magistrate for trial and punishment.

“ This is, in abstract, my present idea of a Zemin-
 “ dar, under the Mogul constitution and practice;
 “ and I have not formed my opinion hastily, I have
 “ read with attention Mr. Shore’s able minute on the
 “ subject, Mr. Grant’s elaborate and praise-worthy
 “ analysis, and the published opinions of Messrs.
 “ Hastings and Francis, deservedly held in consider-
 “ able

Lord Cornwallis says, that the certainty which each individual will *now* feel, of being allowed to enjoy the fruits of his own labours, must operate uniformly as incitements to exertion and industry.

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“ able estimation, not omitting the reports of the
 “ Committee of revenue in March 1786. It would,
 “ as I have already said, fill a volume to explain my
 “ reasons for assenting to, or dissenting from, the op-
 “ posite sentiments contained in these papers respec-
 “ tively; although, therefore, a consciousness of my
 “ inferiority would incline me to state the grounds
 “ of my own opinions, I am compelled at present to
 “ decline it.”

Mr. Law, in a letter to the board of revenue, dated the 9th of January, 1788, says, “ I have in vain en-
 “ deavoured to find the Hindoo Synoname for the
 “ Persian name Zemindar, and consequently failed in
 “ obtaining a distinct account of his *tenure*, and rights;
 “ indeed under a feudal system, which has prevailed from
 “ time immemorial, the idea of a quit or mocurery
 “ tenure *cannot have been entertained*; for the European
 “ maxim of keeping a distinct military force, and of
 “ raising supplies by funding, *is totally unknown*. In-
 “ dependence and security from arbitrary power was
 “ never claimed; *to assert it even, was tantamount to*
 “ *rebellion.*”

Is it admitted that property is *now* insecure, or that it has been so during the British government in Bengal ?

Mr. Francis supposes that Mr. Shore, and not Lord Cornwallis, wrote this letter. I make no such supposition ; but undoubtedly the principal part of Lord Cornwallis's knowledge of the revenues, *he derives from Mr. Shore* ; and it is a singular circumstance, that from the same source *Mr. Francis derived his information also*. The latter sent home a plan in 1776, which it is well known was drawn up by Mr. Shore and Mr. Ducarell. It contains much useful information. But the main scope of Mr. Francis was to persuade the Company, *that the lands in Bengal were let too high*, and that there ought to be a deduction of ten per cent. on all the rents. Without such a deduction, Mr. Francis foretold *the*

“ The *Marajahs*, under the Hindoo government,
 “ taxed his vassals as his necessities or partialities dictated. The Musselman government observed the
 “ same principles ; and when refractory Zemindars
 “ refused to pay the tribute, the Emperor gave the
 “ estate to a favourite officer, who was to repay himself the expence of subduing it from the produce.”

very

very speedy ruin of Bengal; but he well knows, that from 1776, to this time, the revenues have continued the same; or if there has been a difference, they are rather higher, and with this addition, that in so far as the price of salt is higher now, than it was in 1776, *so much more revenue has been drawn from the poor.*

Mr. Shore, the supposed author of the two letters, affirmed in the year 1781, “ that the natives were happier, and their property better secured under our government, than under that of their former sovereigns.” This, he adds, “ I speak *with all the confidence conviction inspires.*” How can this be reconciled to the apparent sense of Lord Cornwallis’s letter.

The real meaning of Lord Cornwallis is this, that by the new plan, the natives will have that sort of *property in the land*, which they have not at present, *nor never had at any former period.* He is to form a *new constitution.*

For several years it was the practice in Bengal to make an annual settlement of the

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lands—invariably so, during the administration of Mahomed Reza Cawn. The Directors, and the Board of controul, in speaking of an annual settlement, say, “that it has in many points been impolitic and prejudicial.” They add, “For this we impute no blame to our Governor General, and Council, as your sentiments on this subject were very wisely and fairly stated to us in your general letter of the 10th of January, 1780.”

No man wishes more sincerely than I do, that the adoption of the new plan may produce every good consequence that Lord Cornwallis hopes for from it.

His Lordship conceives it to be of the utmost importance, that the principal landholders and traders should be *restored* to such circumstances, as to enable them to support their families with decency. *That a regular gradation of ranks* may be supported, which is no where more necessary, than in Bengal, for preserving order in civil society.

I lived many years in Bengal, and some of them under what was called the country government

vernment. Most undoubtedly there was then *a gradation of ranks* amongst the Mahometans, which does not exist at the present day ; but the reason is obvious ; Moorshedabad was at that time the seat of government. The Nabob of Bengal had then forty-five lacks of rupees a-year ; Mahomed Riza Cawn had nine lacks ; there was a Fouzdar in every district ; every revenue office was held by a native. Many Mahometans of rank, since deceased, had jaghires. The Mahometans are naturally fond of pomp and expence, and all the money they received was circulated in the country. But I was told, that I could form a very faint idea of the splendor of the government under the native sovereigns, from what I then saw ; yet the mass of the people were at that time just as poor as they are now ; not so happy, as Mr. Shore says, nor their property, whatever it was, so well secured.

Since that period, a very great and important change has taken place. The stipend of the Nabob is reduced to sixteen lacks of rupees a-year. The government is entirely ad-

ministered by the English ; and Calcutta has increased in size and consequence in a greater degree than Moorshedabad has declined. A very long and expensive war, chiefly supported from Bengal, occasioned the extraction of immense sums in specie. The restoration of peace *brought no relief to Bengal*. The revenues of that kingdom, Bahar, and Benares, with the amount of the Oude subsidy, are above five millions sterling. Her expences for army, civil establishments, stipends, pensions, collections, &c. are about three millions ; and eighty lacks more are expended for investment. The balance is chiefly employed in paying the interest of the debt in India, in remittances to China, and in supporting the armies in the Carnatic and Bombay.

I believe I may venture to affirm, that there never was a government under Heaven, that has subsisted so many years under a system so destructive ; and which has not only subsisted, *but has actually flourished*.

The wisest man who has considered the subject, cannot pretend to say from what
sources

fources Bengal has been enabled to supply the immense drains of treasure that it has sustained for the thirty last years. Mr. Francis's arguments carried this conviction to my mind in 1776, that the country could not go on without a change of system; yet since that period, the greatest exertions have been made in Bengal;* and we have the assurance of Lord Cornwallis, that this nation may depend upon the *continuance* of a surplus of more than two millions sterling a-year.

In another paragraph, Lord Cornwallis says, that agriculture and internal commerce have for many years been *gradually* declining; that except Shroffs and Banians, the inhabitants of these provinces *were* advancing *hastily* to a general state of poverty and wretchedness. Almost every Zemindar is included in this description, which, though partly occasioned by their own indolence and extravagance, must be attributed in a great

* The supplies to Madras and Bombay, since 1776, amount to above ten millions sterling, and the investments to Europe in the same period exceed that sum.

measure to the defects of our *former* system of management.

Upon this paragraph Mr. Francis very justly observed, that *were* should be changed to *are*, since, in point of fact, Lord Cornwallis had done nothing to avert the mischief. *He* raised the same revenue; *He* sent the same supplies to Madras, Bombay, and China; *He* let the lands to farmers, when zemindars would not pay what Government demanded. In short, his Lordship in foreign and domestic policy followed *precisely* the system of his predecessor, Sir John Macpherson; who in like manner continued the system of his predecessor, Mr. Hastings.

That a great and material change has taken place in Bengal since the English acquired the sovereignty of that country, I allow: but it is a change that was inevitable, as must strike every gentleman who has ever bestowed a thought upon the nature of government.

Bengal is a rich, extensive, and commercial kingdom. Europe poured its treasures

into her lap, in exchange for her manufactures. From the Persian Gulph and the Red Sea she received bullion also. From Dehli, and the northern parts of Indostan, she had a return of wealth beyond what she paid in tribute to the Mogul. Much of the country was granted in jaghire. The jaghiredars lived upon their estates in a style beyond that of the first nobility of Great Britain. Such *was* the state of Bengal in the memory of many gentlemen now living; but a few years produced a very material alteration. The total destruction of the Persian empire annihilated her export trade to the Gulphs, and cut off one source of returning wealth. The invasion of Nadir Shah, the rebellions and massacres at Dehli, and in the northern provinces, destroyed another. The acquisition of Bengal by the English stopped the exportation of specie from Europe. The administration of government by the English themselves prevented that circulation of treasure, which was the consequence of every public office being held by the natives. Under the government that now exists, how could there be a *gradation of ranks*? From
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the earliest accounts of time, there is not an instance of a government so *monstruous* as that of the English in Bengal—I mean, where a government has been administered by a few people for the benefit of a *nation* at the distance of twelve thousand miles *from the people governed*. In this sense, what Mr. Burke once said is strictly true, that our government is in its best state, a grievance.

We raise, or at least we hope to raise, in England, one million a year beyond our expences. This money is laid out in decreasing our debt, and for the benefit of the nation. In Bengal we raise above two millions beyond our expences—do we consider for a moment about laying out that money for the advantage of Bengal? Certainly not. We lay a part of it out in investment, because *England* wants muslins. We send large sums to China, because *England* wants tea. We send half a million to Madras and Bombay, not because it signifies a straw to *Bengal* in whose hands those places are, but because their preservation is thought *necessary* for the preservation of the *British interests in India*.

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With such drains, continued for such a series of years, with every channel that formerly supplied Bengal with wealth dried up, is it extraordinary that the mass of the people, those who reside in great towns excepted, are advancing hastily to poverty and wretchedness? The wonder is, that a single rupee is left in the country. It convinces us, however, of this truth, that notwithstanding the researches of the wisest men, and the soundest politicians, wealth will find its way into a country through channels imperceptible to the nicest observer. We all of us know the immense sums that have been sent from Bengal in the British administration; but none of us can divine from whence it has received a supply sufficient to answer those drains.

The next point for consideration is, does the plan of a *permanent settlement* hold out a fair prospect of additional relief? Most certainly it does not. In the first place, the plan of a ten years settlement *is not yet adopted*; and when it shall be adopted, it is not proposed to *raise the rents at all*; therefore to this country *no advantage* will result

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either from the ten years settlement, or the *permanent* place; should the latter at any time take place.

Every Englishman will agree with Lord Cornwallis, that it is our duty to govern Bengal as well as we can, and to make the people as happy as we can.

To effect this desirable point, we are now going to alter the whole tenure of landed property in Bengal; that is to say, we are going to let the lands for ten years, with a declaration to each renter, that if he pays his rents regularly, they shall be held for *ever* upon the same terms, which is in fact, giving to Bengal a new constitution. It is supposed that by this plan property will be better secured, children will be better educated, the poor will feel poverty and wretchedness in a less degree than they do now, and that a *gradation of ranks*, which his Lordship so anxiously looks for, will be established.

I do not believe it possible that by any arrangement we may form, we can alter the
nature

nature of the people of Bengal ; they ever have been, and ever will be, divided into two classes, very rich, and miserably poor ; I mean the Hindoos. From the nature of our government, we have effectually destroyed the Mahometan nobility, and country gentlemen ; and if we were to re-establish them, they would soon find out how absurd it was, that a great kingdom, with *regular gradations of rank* in it, and inhabited by eighteen millions of people, should be governed by a few thousand men, from a distant quarter of the globe.

Lord Cornwallis looks to a future increase of wealth from additional *duties* on the *necessaries* and *luxuries* of life. In the propriety of Mr. Francis's remarks upon this paragraph I entirely concur.

All revenues are paid by the mass of the people, and *their* luxuries in Bengal are rice, salt, beetle nut, tobacco, and fish, with which the rivers abound. It were earnestly to be wished that *all* internal duties were totally abolished ; they are vexatious and oppressive

in the highest degree. My own opinion is very strongly confirmed upon this subject by that of a gentleman whose knowledge, ability, and candour cannot be disputed. He says, in a letter written last year that I have lately seen, " For my own part, so persuaded
 " am I of the difficulty of preventing undue
 " exaction in the collection of duties, from
 " my experience in this branch of business,
 " where my utmost attention to a single
 " city did not, I am satisfied, prevent it,
 " and where numerous, unauthorized extor-
 " tions had continued, in defiance of repeat-
 " ed prohibitions, in the presence almost of
 " the Supreme Government, that if no check
 " can be established to prevent effectually the
 " continuance of such impositions, and the
 " amount realized by Government be not too
 " considerable to be given up, in the present
 " exigence of the Company's affairs, I should
 " heartily hope the whole collection might
 " be abolished," &c. &c.

I am confident that upon further consideration, Lord Cornwallis will not look for increase of wealth from additional *duties* ; they
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must from the nature of things be *always* oppressive in Bengal, and may sometimes not defray the expence of the harpies employed in collecting them.

The great sources of revenue in Bengal are land, and salt. As population increases, waste lands will be brought into cultivation, and a fair additional revenue will accrue to Government. As population increases, the consumption of salt will increase also, and Government will acquire an additional revenue on fair terms.

In another part of Lord Cornwallis's Letter, he mentions the state and condition of the Province of Benares, in a manner highly honourable to the gentleman, who has the entire management of that province. The lands have lately been let at a reduced jumma for three years, and although the city of Benares has been annually increasing since the expulsion of Cheyt Sing, the province has materially suffered from bad management. The British government has now taken the collection of the revenues entirely upon itself,

and there can be no danger of their falling off in future. Of the state of Benares, neither Mr. Dundas, nor Mr. Francis said one word.

They were equally silent as to the state and condition of Oude, though the connection between that kingdom and our provinces is of so peculiar a nature. But though I am as willing as any man to give Lord Cornwallis credit, not only for the best intentions in the world, but for real and substantial public services, I must say, that however beneficial the arrangements which he has formed may be, they are in various instances directly contrary to the voice of this nation, proclaimed by its representatives.

That Mr. Dundas should have been silent, I am not surprized, because he stands in the curious predicament of having pointedly condemned in one character, that system which as warmly he has approved in another; but I wonder how it happened that Mr. Francis missed so glaring an inconsistency.

Mr.

Mr. Dundas said, that after what *had happened*, no Governor General would *dare* to depart from the system of *moderation*, which this country had approved. I have already shewn, that in Bengal the system is precisely the same as it has been for years. In Benares, with great propriety, but in direct violation of the rights of the Rajah, Lord Cornwallis has assumed the entire government of the Zemindary. In Oude he has sanctioned and rendered permanent, the system which the House of Commons has condemned, in the strongest possible language. His Lordship has promised his protection to Hyder Beg Khan, the Minister of the sovereign of Oude, as long as he discharges his duty to his master, and pays the subsidy to the Company with regularity. His Lordship has expressed a *hope*, that no occasion will ever occur when he shall be obliged to perform this promise, but upon the faithful performance of it, if necessary, Hyder Beg rests with the utmost confidence.

Not only has Lord Cornwallis *dared* to do this in defiance of the opinion of the House of
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Commons, but he has had the magnanimity to state it without reserve. He has said, that in his arrangements in Oude, he has nearly adhered to the system laid down by the former Governor General, Mr. Hastings, or where he has made an alteration, it was with a view to render that system *the more permanent*. The fact is, that at the present moment, and from the day of Lord Cornwallis's accession to the government of Bengal, Hyder Beg Khan has been, in effect, the absolute sovereign of Oude, with the full knowledge, and avowed approbation of Mr. Dundas; yet, the same gentleman, as a member of parliament, has called Hyder Beg an *implacable tyrant*; and now joins in prosecuting Mr. Hastings before the first tribunal in the kingdom, for that very System, which Lord Cornwallis takes merit for having rendered *permanent*; and which Mr. Dundas has sanctioned with his complete approbation.

On the side of Bengal, I look in vain for proof of our *moderation*.

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We have assumed the entire sovereignty of the country, and the Nabob is a pageant, and a pensioner, *in* the receipt of half the salary that we are bound by a solemn treaty to pay him.

Benares we govern completely, under a resident, who is subject to the board of revenue in Calcutta. To Hyder Beg Khan we have promised protection, provided his sovereign either from caprice, or the advice of unworthy favourites, should withdraw his confidence from him; and we draw a subsidy from Oude, which defrays one third of the expence of our whole army. These are proofs of a firm and vigorous government; but to talk of the *moderation* of the English, is to use a term perfectly unintelligible.

In the other parts of India, this nation, as in the case of America, has found out its error. It was the favourite idea for a long time, that England could not exist without America; and after expending a hundred millions of money, and a hundred thousand men, we have discovered that we do better
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without it, than with it, and have now only to lament the loss of so many lives, and the accumulation of such a debt.

It was supposed in England, that it was absolutely necessary to keep a large military force at Bombay; territory upon the continent was eagerly wished for, as the means of paying that force, and for that purpose only; internal disputes amongst the Mahrattas gave to the government of Bombay what they thought a fair opening for the acquisition of dominion—they seized it, and the Directors, under the guidance of his Majesty's ministers, approved their measures; the supreme council thought otherwise, they concluded a peace, which was reprobated at home; the war with America brought on a war with France; every thinking man supposed that India would be the main object with that restless nation; the war with the Mahrattas re-commenced; Hyder's invasion of the Carnatic followed; powerful French armaments arrived in India; and by great good fortune two considerable reinforcements were intercepted near the French ports; for three years we fought in India for our existence;

istence; at the very crisis of our fate, we effected a separate peace with the Mahrattas; a cessation of hostilities with France was the happy consequence of the peace in Europe; and the agreement with Tippoo restored tranquillity to all India; but did the general return of peace, or has any one transaction since, impressed the native Princes of India with an opinion of our *moderation*? In concluding the war we obtained the best terms we could; and the peace will be preserved by the dread of our arms, and our power; not from a conviction of our *moderation*. Every Prince in India will say, if, with an union of the four great powers of India, assisted by the French, we could not subdue the English, what can be effected by a single sovereign, when France has withdrawn her forces? It is this reflection which will preserve peace in India.

The natives in India are not so stupid, as not to know that Mr. Hastings, to whom Mr. Dundas alluded, is *not* prosecuted, because he wanted *moderation*. They see that the very same system that he established, is continued

by Lord Cornwallis, *in all its parts*. Mr. Hastings is not accused of having been the author of the Mahratta war; which accelerated, if it did not cause, the invasion of the Carnatic, and was an additional incitement to France to turn her attention and her force to India.

If such had been the accusation, though it had not been proved, Mr. Dundas *might* with propriety say, that no Governor General would in future dare to depart from that system of *moderation*, which the Commons of England had approved.

I know it was said in the House of Commons by Mr. Dundas, that he never knew an instance of a more flagrant violation of a solemn treaty, than was committed by the supreme Council, on the death of Sujah Dowlah; when the present Nabob was compelled to alienate a very valuable part of his hereditary dominions; but the injustice of the act was lost in the contemplation of its beneficial importance to the public, and accordingly
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the majority of the Council * received the thanks of the Company, for an act which set *moderation* and *justice* at defiance. I know that Mr. Dundas moved a resolution in the House of Commons, condemning the suspension of the payment of the tribute to the Mogul, as violating the conditions upon which we ostensibly hold Bengal at the present moment, but it has never occurred to him to offer the least assistance to that unfortunate Monarch during the five years that the power of India has been in his hands.

In both instances, the English perhaps acted according to the rules of sound policy, but we certainly gave no proofs of our *moderation* in either transaction, nor will *mere professions* of moderation, let them come from what quarter they may, obtain the least credit. In the two political transactions of Lord Cornwallis's government, he has strictly adhered to the system of his predecessor; the first, in his arrangements with the Nabob of Oude; the second, in paying Nizam Ally Cawn, the

* Messrs. Clavering, Monson, and Francis.

Peshcush for the northern Circars, and in demanding the cession of the guntoor on the death of Bazalet Jung; it would have been some proof of our *moderation*, but a greater proof of our imbecility, if we had forborne to make the demand, or had not determined to enforce it, provided Tippoo Sultan, as was expected, had opposed us in getting possession of it.

The fact is, that we have an empire in India large enough to satisfy the ambition of the proudest nation upon earth. I do not believe any man entertained an idea of enlarging the empire; but some additional security was thought necessary on the west of India, to counteract the designs of the French, when Great Britain was overwhelmed by enemies in every quarter of the globe. The power of France *is no more in India*; and as a proprietor, I look with some anxiety for the reductions that ought to take place in the large armies now kept up in the Carnatic, and at Bombay. When these reductions are made, the debt of India may, I think, be gradually

discharged in India ; and then the annual necessity of borrowing in England will cease.

To prove that there is a very fair prospect of a complete discharge of the Company's debt in India, and a fund sufficient for the purchase of all the investment that can be disposed of in Leadenhall Street, I shall quote the letter from Lord Cornwallis and his council, of the 12th of March 1789. " We
 " have every reason, from a view of the aggregate amount of the Bengal resources,
 " compared with the probable disbursements, to confirm you in the expectation
 " of drawing from hence a surplus revenue
 " of *more than two crores of rupees.*"

This surplus is fixed upon that strong authority, that cannot well be disputed. Lord Cornwallis, with the advantage of three years residence, is of that opinion ; so are his council. The King's ministers and the directors agree in it also. But what, in my judgment is decisive upon the question, is this, that the receipts for a number of years back, in Bengal, have been so equal, as to leave
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very little doubt of their continuance at the same amount. If there should be a difference in future, I am convinced there will be an increase.

It has been said, and very naturally, how does it happen, that with such a surplus, the Company has been reduced to the necessity of borrowing such large sums of money in England? To those, who for one moment will consider the subject, the causes are obvious.

In the first place, the commutation act rendered it necessary for the Company to double their capital employed in commerce.

Secondly, it happened in India, as in England, that it was impossible, previous to the conclusion of the war, to know precisely the amount of the military expences at Madras and Bombay; and to this it was owing, not to intentional deception in the Directors, that the accounts presented to Parliament in 1784, were so exceedingly defective.

The very same thing happened in England: we never knew the amount of the national debt during Lord North's administration, nor until two years after the close of the war.—Bills have been drawn upon the Direction for above two millions beyond their estimate, since 1784.

The third cause of the embarrassed state of the Company's affairs at home was, the resolution taken by the Directors, in conjunction with his Majesty's Ministers, to transfer the India debt to Great Britain. Above two millions have been already subscribed. I admit, that at the time the resolution passed, it was wise and proper; but France having withdrawn herself from India, and so close a connection having been formed with Holland, I think the remainder of the India debt may be paid abroad.

The fourth cause of the Company's distress at home was, the considerable sums paid to Government in the three last years, for the pay of his Majesty's regiments serving in India.

The fifth cause was, the very large and expensive military establishments formed for Madras and Bombay. However necessary these might have been, while an opinion prevailed, that France would never suffer us to be at peace in India, that necessity, most happily, exists no longer. There can be no reason now, why Bombay should not be put upon the same establishment that existed twenty years ago, independent of the troops proposed to be sent to Travancore, for which a subsidy equal to their expence is to be paid. In this event, ten lacks a-year would be sufficient to make up the expences of Bombay, in addition to her own revenue.

At Madras, the establishment may be reduced, so as to allow a sum to be appropriated for an investment, after the payment of its expences. Any addition from Bengal would then be of real importance, because the Madras investment sells to a profit in Leadenhall Street.

There is one material consideration which I trust neither the House of Commons as a body,

body, nor the individual members of it, will lose sight of, when they are deliberating upon the embarrassed state of the Company's affairs in England. It is this, that the embarrassment is the effect of the war in India; and the war in India was brought upon the Company by the measures proposed by the Minister, and adopted by Parliament.

Mr. Fox's arguments upon this subject remain to the present day unanswered, and they are unanswerable. Two years prior to the commencement of hostilities with France, he foretold a war with that nation as the inevitable consequence of the protraction of the American contest; and war with France, he truly said, would involve us in every quarter of the globe. It is of no moment now to inquire, whether in the commencement of the second Mahrattâ war we imputed schemes to France which at that time she had not entertained. The information came from the first authority, and the Government of Bengal would have been deemed criminal if such information had been slighted. "Beware of the designs of the French" was the constant

advice of the Directors to their servants in India, and France probably owes her present ruin to the prodigious exertions which she made in the late war, in order to wrest India from Great Britain. To counteract such exertions, and to break the general confederacy formed against us, required great expences on our part ; but if we consider for one moment the relative state of Great Britain and Bengal, the embarrassments of the latter will sink to nothing.

We effected a peace in Europe by acknowledging the independence of America, by the cession of some West-India islands to France, by giving up the Floridas and Minorca to Spain, and by allowing the French a footing in India, to which they were not entitled by their successes in that quarter of the globe. For three years after the peace we were borrowing money, and imposing new taxes, in order to defray the expences of the war, and we doubled the national debt.

In Bengal, which furnished such immense supplies for the support of the war, without the
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imposition of one additional tax, (and taxes there upon an European system are unknown) we have a surplus of more than two millions sterling a-year. The debt of India had long ago been paid off if this surplus had been appropriated to that purpose ; but a conviction of the immense importance of India to Great Britain, and the recollection of the efforts which France made in the late war to deprive us of it, induced the King's Ministers to guard us effectually against their future attempts ; and they fixed the military establishments so high, as not only to absorb all the savings that were made in the civil and revenue departments, but to require in addition the remittance of considerable sums from Bengal to Madras and Bombay.

After all that has been said of the *economical arrangements* of the Board of Controul, I fancy I shall hardly obtain credit for the following statement ; but I will refer my readers to authorities that cannot mislead them.

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The total expences of India the year preceding the late war, that is, from April 1777 to April 1778, amounted to £3,387,727.

The total expences of India for 1788-9 £5,053,997.

I have taken the first statement from papers published in the Sixth Report of the Secret Committee, (Mr. Dundas's) and the latter from the papers presented this year to the House of Commons on the motion of Mr. Dundas. When I speak of India, I mean Bengal, Fort St. George, and Bombay.—Should there be any inaccuracy, it is too trifling to be worth notice, and admitting that the whole expence attending the Collections in Bengal in the first period is not included, I can safely affirm, that after all the boasted reductions, the expences of 1788-9, when we have not the most distant prospect of war, exceed the expences of 1777-8, when a war was inevitable, above one million five hundred thousand pounds, and of this sum six hundred and
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seventy thousand eight hundred and sixty-one pounds is the excess of expence at Madras and Bombay last year, beyond the establishments of 1777-8. These are the establishments to be reformed; but the revenues and resources of Bengal have increased in a proportion infinitely beyond the expences incurred, nor do I conceive that they can be reduced below their present standard,

A dread of French power and French intrigues induced us to send four regiments to India two years ago: both are now at an end; it follows, of course, that reductions to a very considerable amount may safely be ordered. In close alliance with Holland, and the contest given up by France, what can Great Britain have to fear in India?

Except very considerable reductions take place at Madras and Bombay, and unless the debt of India be paid in India, Mr. Dundas may come forward annually to the House of Commons with the same flattering accounts of the Bengal surplus; but he will have also to present each year a petition from the Directors,

rectors, praying further assistance from Parliament; and the only advantage we shall derive from India, will be, that while we retain it, it will be a fruitful source of patronage to his Majesty's Ministers, and to the Directors of the East India Company,

FINIS.

